

JOURNAL OF THE PROCEEDINGS OF THE BOARD OF COMMISSIONERS OF COOK COUNTY



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**DAVID ORR
COUNTY CLERK**

**JOURNAL OF THE PROCEEDINGS
OF THE
BOARD OF COMMISSIONERS
OF COOK COUNTY**

**OCTOBER 30, 2003
(SPECIAL MEETING)**



JOHN H. STROGER, JR., PRESIDENT

**JERRY BUTLER
FORREST CLAYPOOL
EARLEAN COLLINS
JOHN P. DALEY
ELIZABETH ANN DOODY GORMAN
GREGG GOSLIN
CARL R. HANSEN
ROBERTO MALDONADO**

**JOSEPH MARIO MORENO
JOAN PATRICIA MURPHY
ANTHONY J. PERAICA
MIKE QUIGLEY
PETER N. SILVESTRI
DEBORAH SIMS
BOBBIE L. STEELE
LARRY SUFFREDIN**

**DAVID ORR
COUNTY CLERK**

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JOURNAL OF THE PROCEEDINGS
OF THE
BOARD OF COMMISSIONERS
OF COOK COUNTY

Meeting of Thursday, October 30, 2003

2:00 P.M.
Central Standard Time

COOK COUNTY BOARD ROOM, COUNTY BUILDING

Board met pursuant to the following call:

October 24, 2003

The Honorable David Orr
Cook County Clerk
69 West Washington Street
Chicago, Illinois 60602

Dear Mr. Orr:

Pursuant to the authority vested in me, I hereby call a Special Meeting of the Board of Commissioners of Cook County for Thursday, October 30, 2003, at the hour of 2:00 P.M. in the County Board Room, Room 569, County Building, 118 North Clark Street, Chicago, Illinois, at which meeting I will present the Message of the President to the Board of Commissioners submitting the Executive Budget for Fiscal Year 2004 and various other revenue ordinances.

Yours very truly,

JOHN H. STROGER, JR., President
Cook County Board of Commissioners

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COPY OF LETTER SENT TO ALL COMMISSIONERS

October 24, 2003

Honorable President and
Members of the Cook County
Board of Commissioners

Ladies and Gentlemen:

John H. Stroger, Jr., President of the Board of Commissioners of Cook County, has directed me to call a Special Meeting of the Board of Commissioners of Cook County on Thursday, October 30, 2003, at the hour of 2:00 P.M. in the County Board Room, Room 569, County Building, 118 North Clark Street, Chicago, Illinois, at which meeting the Message of the President to the Board of Commissioners submitting the Executive Budget for Fiscal Year 2004 and various other revenue ordinances will be presented.

Very truly yours,

DAVID ORR, County Clerk

* * * * *

This is to certify that a copy of the above notice was hand delivered and personally addressed to each Member of the Board of Cook County Commissioners at their home address and was deposited in the United States Mail on October 24, 2003.

DAVID ORR, County Clerk

* * * * *

The following Legal Notice appeared in the Chicago Sun-Times Newspaper on Monday, October 27, 2003.

LEGAL NOTICE

John H. Stroger, Jr., President of the Board of Commissioners of Cook County, has directed me to call a Special Meeting of the Board of Commissioners of Cook County on Thursday, October 30, 2003, at the hour of 2:00 P.M. in the County Board Room, Room 569, County Building, 118 North Clark Street, Chicago, Illinois, at which meeting the Message of the President to the Board of Cook County Commissioners submitting the Executive Budget for Fiscal Year 2004 and various other revenue ordinances will be presented.

Very truly yours,

DAVID ORR, County Clerk and Clerk
of the Board of the Commissioners of Cook County, Illinois

October 27, 2003

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OFFICIAL RECORD

President Stroger in the Chair.

CALL TO ORDER

At 2:00 P.M., being the hour appointed for the meeting, the President called the Board to order.

QUORUM

County Clerk David Orr called the roll of members and there was found to be a quorum present.

ROLL CALL

Present: Butler, Claypool, Collins, Daley, Gorman, Goslin, Hansen, Maldonado, Moreno, Peraica, Silvestri, Sims, Steele, Suffredin, Stroger -15.

Absent: Murphy, Quigley -2.

BUDGET MESSAGE OF THE PRESIDENT

to the

BOARD OF COMMISSIONERS FOR THE FISCAL YEAR 2004

October 30, 2003

Chairman Daley, fellow commissioners, civic leaders and citizens, Good Afternoon.

As the Chief Executive Officer of this county, it is my duty to prepare an executive budget recommendation for Cook County Government. This is the ninth budget of the Stroger administration and quite frankly the most difficult one to date. But we are not alone – public bodies across this state and nation are having difficulties. According to the National Association of Counties, more than 70% of Counties in the United States are experiencing budget shortfalls.

I truly believe that our success in managing the taxpayers' money has allowed us to avoid many of the problems other Counties are facing. In these very difficult times, our conservative approach has never been more important.

I pledged in 1994 that I would reduce the reliance on property taxes to pay for the operations of this government. In 1995, property taxes represented 32 percent of our budget – today through the use of alternate revenue sources and serious cuts – property taxes represent less than 25 percent of our total budget.

The media spend a lot of time talking about high property taxes yet our share of the average taxpayer's bill in 2002 was just 8.4 percent. With that money, we provide a criminal justice system which includes the courts, the jail, a juvenile facility, criminal defense and prosecution, and the health care system which includes four hospitals, the department of public health and an ambulatory clinic system second to none.

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Our programs service five million citizens residing in more than one hundred municipalities.

We must also maintain the more than 500 miles of roadway in our highway system and adequately fund an information system that must meet the needs of modern day life. We must fund the medical examiner's office and provide for changes in the election process as mandated by federal law.

In keeping with my commitment to reduce the reliance on property taxes, we have not increased the property tax levy in the past four years and will not do so again this year.

And while assessments have increased by more than 64 percent since 1992, we have not taken advantage of the additional dollars that would be available as a result of either the natural growth or higher assessments.

In fact, our tax rate has declined over time.

In 1995, the tax rate was 99 cents per one hundred dollars of equalized assessed evaluation or EAV. Today, that rate has fallen to 69 cents – a reduction of thirty percent. And with the extension of the 2003 levy, we expect this rate to drop below sixty cents per one hundred dollars of EAV. This is a story we are very proud of.

Throughout my administration, I have reduced the position count in offices under my control. In 1995, Cook County government employed more than 27,000 people. Of those, a little more than 13,000 were in the offices under my control. Since 1995, I have reduced this number by more than 1,500 positions – a 14% reduction. If we are to make meaningful reductions in this government, the constitutionally elected officials must also share the burden of cuts.

In addition to cutting expenses since 1995, we have diversified our revenues and have aggressively pursued grant dollars. In fact, the department of public health is now nearly 55% grant funded. This diversification of revenues has served us well.

While many units of government have seen their bond ratings drop in recent years – Cook County has maintained its Double A investment grade ratings. This third party endorsement of our financial management may get lost on those who try to diminish our accomplishments – but we take great pride in knowing that we have managed the taxpayers' money responsibly.

That being said, I present to you a \$2.99 billion budget for the year 2004. This budget represents a 4.3 percent increase over last year to fund obligations related to union contracts and health care increases for our workforce. It also provides an additional forty-three million dollars for the election, bond and interest and pension levies. We will pay for all of our additional needs without a property tax increase for the fifth year in a row.

Public safety and public health are our primary missions and as such, we must adequately fund their operations.

Public Safety remains the single largest component of the County's corporate budget, representing more than one billion dollars this year and employing more than 15,000 people.

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Cook County government provides a court system, which includes not just the courtrooms and bailiffs, judges and file clerks but the prosecution and defense in many cases. Years ago, we had a municipal court system. Today, we have a unified system that Cook County Government is required to pay for with very little assistance from the state.

We must provide a jail which houses more than 10,000 people daily. And we must provide these detainees with food, clothing and health care. We have successfully sought less costly alternatives to incarceration such as electronic monitoring and the boot camp, but these programs are not without price tags. We entered into the boot camp project nearly ten years ago with a commitment from Springfield that they would share the expenses for this program.

These are convicted criminals and therefore the responsibility of the state. Yet, these costs continue to be shouldered solely by the taxpayers of Cook County.

The Sheriff estimates that we house as many as eighteen hundred parole violators who should be in state custody. Using the Sheriff's calculations, Cook County taxpayers spend nearly 40 million dollars annually to house these prisoners.

I will work with the Sheriff and the Governor again this year to reiterate the need for adequate state funding.

Additionally, between the Sheriff, the States Attorney and Chief Judge, we provide a host of drug treatment programs. I will ask the Chief Judge to assist us in consolidating these programs under one department. We must carefully investigate where we are duplicating services and make an objective judgment as to what alternative serves the client best.

We are required to provide a public health system to care for the medically indigent. Today there are more than 40 million people in the United States without health insurance - a number that grows as more and more people are out of work and more and more companies are choosing not to provide comprehensive medical benefits to their workers.

The budget of the Cook County Bureau of Health Services is eight hundred million dollars. After reducing 346 positions last year to meet their budget goal, the Bureau has cut an additional 58 positions this year and has secured additional revenues.

This budget includes more than 58 million dollars in new revenues as a result of continued vigilance in enrolling patients in Medicaid programs as well as increases through the Intergovernmental Transfer Program. There is an additional 32 million dollars from the Federal Medical Assistance Program - revenue secured by the hard work of Mrs. Rothstein. I must caution everyone, however, that this 32 million is a one-time revenue source and cannot be counted on in the future.

Over the course of the last decade, we have redesigned our healthcare delivery system to provide residents with access to community-based clinics. In 2002, our clinics registered more than eight hundred thousand patient visits. Our three hospitals, Oak Forest, Provident and Stroger, provided more than three hundred and twenty thousand days of inpatient care.

Our department of public health is busier than ever. The growing threats of bioterrorism and west nile virus add to the ongoing work the department does on AIDS, lead poisoning and tobacco. We must balance our resources so that we are prepared for new, emerging public health crises while remaining vigilant in addressing and eliminating those that plague our society every day.

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This budget provides 219 million dollars for capital programs - much of which will be spent improving our public safety facilities. The construction of the new Domestic Violence Courthouse marks our commitment to provide a safe and appropriate environment for its users. Over the next five years, we will spend a minimum of 188 million dollars upgrading our County facilities. And, I fully intend to provide the necessary funding to install life safety systems, including sprinklers, to ensure a safe environment for our employees and the public.

As I said earlier, this budget is balanced without an increase in the property tax levy for the fifth consecutive year. We have continued to pare expenses where practical and reasonable.

While the Early Retirement Incentive has saved substantial dollars to date – its real savings will be felt down the road. Last year, we saved 34 million dollars with the elimination of 273 positions. With an additional 246 positions eliminated this year, the savings through 2007 are estimated at more than 100 million dollars.

These cuts were no small task. While most of the offices chose to participate in the reductions, others did not. I have never asked the Sheriff to compromise public safety, but I did expect his office to eliminate their fair share of positions relative to discretionary programs. As the person responsible for this budget, I must recommend the elimination of 40 non-sworn positions in the Sheriff's budget.

As I said earlier, another long-term goal of mine since I took office was to diversify our revenues away from property taxes to provide stable funding mechanisms over time. And while today is about the 2004 budget, much of our financial success has been due to accurate forecasting of future needs.

In order to hold down tax and fee increases, we have utilized one-time revenue sources in the past. This year, one-time revenues represent 38 million dollars.

If we are to be responsible fiscal stewards, we must provide this government with stable, reliable revenue sources.

To that end, I am introducing an ordinance, which will institute a four percent tax on all leased equipment in Cook County. Our team has estimated this will yield nearly fifty million dollars next year.

Additionally, the County's sales tax, currently at three-quarters of one percent, has not been increased since its introduction in 1992. I am recommending a one-quarter percent increase in the sales tax. Because of state requirements, the tax will not be collected until July and will yield only 11 million dollars next year, but will begin to provide that stable long-term revenue source beginning in 2005 to assist in funding our increasing public safety costs.

It is imperative to understand the breakdown of the sales tax. Contrary to recent headlines, our share is small. The state receives 6.25 percent and depending on where you live, municipal governments get their portion. Even with this proposed increase, the county's portion will only be one percent of the total sales tax.

As I laid out earlier, we must provide adequate funding for our obligations. And I believe we all agree that the funding mechanism should not be property taxes.

These are difficult times that require difficult decisions.

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Without these types of new revenue sources, the cuts necessary to close a hundred million dollar shortfall would mean more than the elimination of positions here and there. It would mean the wholesale elimination of entire programs. For example, the Boot Camp costs 8 million dollars, the Core Center 13 million, each ambulatory clinic approximately 1.5 million. So, unless you are willing to make these types of drastic cuts, we must come to agreement on future funding sources.

The future of this government rests in our hands. I am a reasonable person and believe that we can continue to look at cutting expenses where practical.

As with most organizations, both public and private, personnel expenses represent the largest portion of our budget. In our case, our workforce represents 85 percent of the budget and in order to make further reductions, we must look at these areas. It does not always mean laying off employees.

In light of the economic times we are in, I am asking all managers in offices under the president to take one furlough day next year. I will personally give back one day of my compensation and will ask the other elected officials and the unions for their participation.

We are in difficult times and if we all contribute a little, then no one will have to contribute a lot.

The cost of employee health care, vision and dental insurance has continued to rise at alarming rates.

We have made some progress in employee contributions, but with annual increases averaging more than 15 percent, we must ask our employees to contribute more. I intend to require executive employees to contribute more toward their healthcare based on their salary. I have also directed our labor team to revisit this in the upcoming negotiations.

We must also look at our compensation plans. We have more than 30 different salary schedules. Step increases and cost of living adjustments combined provide pay raises that sometimes exceed 8 percent annually. Steps were designed to bring government salaries in line with the private sector. I believe we have accomplished the intent. At my direction, the Industrial Engineers are developing an executive pay plan, which will reform how upper level employees are compensated. It is my intent to introduce this cost saving measure during our budget process for the Board's consideration. Over time, we need to carefully examine alternate compensation packages for all employees that are fair to both our employees and the taxpayers.

And lastly, I am demanding a comprehensive assessment of everything we do. We must identify discretionary programs and re-evaluate the mechanisms for funding these programs. We must also work with Springfield on securing funding for state mandates.

As we move forward in the budget process, I welcome the input of our citizens at public hearings.

I would encourage the Board of Commissioners, especially those going through this process for the first time, to take the time to attend both the department and public hearings as they provide valuable information about our government operations.

To the department heads and elected officials who took a closer look at their operations and made the hard decisions, thank you. To those who have not fully participated in cuts, it is not too late. I am happy to support amendments, which make reasonable cuts.

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To the citizens of Cook County, I am proud that I have kept my pledge to you and I am proud that we have put forth another budget, which puts you – the taxpayers - first.

Thank you and God Bless.

JOHN H. STROGER, JR., President

* * * * *

The Message of the President to the Board of Cook County Commissioners was given by President Stroger.

* * * * *

President Stroger then submitted the Executive Budget to the Board of Commissioners for the Fiscal Year 2004, for referral to the Committee on Finance.

Commissioner Daley, seconded by Commissioner Steele, moved that the President's Executive Budget be referred to the Committee on Finance. **The motion carried unanimously.**

PROPOSED ORDINANCES

Submitting a Proposed Ordinance sponsored by

JOHN H. STROGER, JR., President, Cook County Board of Commissioners

PROPOSED ORDINANCE

COOK COUNTY PERSONAL PROPERTY LEASE TRANSACTION TAX

WHEREAS, the County of Cook is a home rule unit of local government pursuant to Article VII, Section 6(a) of the 1970 Illinois Constitution; and

WHEREAS, as a home rule county, County of Cook is authorized by 55 ILCS 5/5-1009 to impose a tax upon all lease receipts; and

WHEREAS, the Board of Cook County Commissioners finds that such alternative and new sources of revenue are required to fund the operations of Cook County Government.

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF COMMISSIONERS OF THE COUNTY OF COOK, ILLINOIS AS FOLLOWS:

SECTIONS:

1. **Title.**
2. **Definitions.**
3. **Tax Imposed.**
4. **Exempt Lessees.**
5. **Exempt Leases, Rentals or Uses.**
6. **Collection and Remittance Responsibilities of Lessors.**
7. **Tax Remittance and Returns.**
8. **Registration.**
9. **Contents of Lease Agreements.**
10. **Maintaining Books and Records.**
11. **Rules and Regulations.**
12. **Application of Uniform Revenue Procedures Ordinance.**
13. **Penalties.**
14. **Severability.**

Section 1 **Title.**

This ordinance shall be known and may be cited as the Cook County Personal Property Lease Transaction Tax Ordinance. The tax imposed by this ordinance shall be known as the "Cook County Personal Property Lease Transaction Tax," and is imposed in addition to all other taxes imposed by Cook County, the State of Illinois or any other municipal corporation or political subdivision of the State of Illinois.

Section 2 **Definitions.**

When any of the following words or terms is used in this chapter, whether or not capitalized and whether or not used in a conjunctive or connective form, they shall have the meaning or construction ascribed to them in this section:

- A. "County" means the County of Cook, Illinois.
- B. "Computer" means, but not by way of limitation, a device that accepts, processes, stores, retrieves, or outputs data including, but not limited to, storage and telecommunication devices or other computer hardware connected to or used with computers.
- C. "Computer program" or "program" means, but not by way of limitation, a series of coded instructions or statements in a form acceptable to a computer and intended for execution on a computer, either directly or indirectly, to bring about a certain result, such as causing the computer to process data and supply the results of the data processing.
- D. "Computer software" or "software" means, but not by way of limitation, data and information that are associated with the hardware of a computer such as a collection of computer programs, routines, compilers, assemblers, translators, manuals, circuit diagrams and operation procedures.
- E. "Data" or "database" means, but not by way of limitation, a representation of information, knowledge, facts, concepts or instructions, including program documentation, which is prepared in a formalized manner and is stored or processed in or transmitted by a computer. Data may be in any form including, but not limited to, reports, printouts, magnetic or optical storage media, punch cards or data stored internally in the memory of the computer.

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- F. "Department of Revenue" or "Department" means the Department of Revenue of Cook County.
- G. "Director of Revenue" or "Director" means the Director of Revenue of Cook County.
- H. "Lease" or "rental" means any transfer of the possession or use of personal property, but not title or ownership, to a user for consideration, whether or not designated as a lease, rental, license or by some other term, and includes a "nonpossessory lease."

The term "nonpossessory lease" means a lease or rental wherein use but not possession of the personal property is transferred and includes, but is not limited to, leased time on or use of any and all personal property not otherwise itself rented, such as leased time on or for the use of addressing machines, billboards, calculators, computers, computer software, copying equipment or data processing equipment, whether the time is fully or partially utilized, and specifically includes a "nonpossessory computer lease."

The term "nonpossessory computer lease" means a nonpossessory lease in which the customer obtains access to the provider's computer and uses the computer and its software to input, modify or retrieve data or information, in each case without the intervention (other than de minimis intervention) of personnel acting on behalf of the provider. The term "nonpossessory computer lease" includes, but is not limited to, time-sharing or time or other use of a computer with other users. In the case of a nonpossessory computer lease, the location of the terminal or other device by which a user accesses the computer shall be deemed to be the place of lease or rental and the place of use of the computer for purposes of the tax imposed by this section.

The words "lease" or "rental" shall include a transfer of the use of software within the meaning of this section only if, for purposes of the Illinois Retailers' Occupation Tax and Illinois Use Tax, the software is not "custom" software and the transfer is an exempt license of software.

- I. "Lease or rental payment period" means the length of time or period of use that is covered by a single lease or rental payment as agreed to under the terms of the lease or rental agreement.
- J. "Lease receipt" or "rental receipt" means the consideration for the lease or rental of personal property, valued in money, whether received in money or otherwise, including cash, credits, property and services, determined without any deduction for costs or expenses whatsoever. The "lease receipt" or "rental receipt," in the case of a nonpossessory computer lease, includes all charges for the use of the computer's hardware, computer software, computer programs and databases for any purpose whether or not the charge for use is measured by the actual amount of time used or by some other measure.

A transfer of the use or ownership of personal property, or a provision of a service, that is ancillary to a nonpossessory computer lease shall be deemed a separate transaction for purposes of determining whether the charge for the transfer or the service is includible in the lease or rental price of the nonpossessory computer lease only if the transfer or service is optional. The charge for a transfer or service that is not optional shall be included in the lease or rental price of the underlying nonpossessory computer lease, even if a separate charge for the transfer or service is stated in a contract or invoice. A transfer or service shall be considered optional for this purpose only if the lessee could have obtained the same nonpossessory computer lease from the same lessor without the transfer or service.

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- K. "Lessee" means any person who leases or rents personal property from another, whether the lease or rental price is paid by the lessee or by another person.
- L. "Lessor" means any person, including the assignee of any lease or rental agreement, who leases or rents personal property to users.
- M. "Membership organization" means a corporation or other person that is organized on a membership basis. A person is wholly owned by members of a membership organization, and that is operated primarily to furnish goods, services or facilities to members of the organization, shall be deemed a membership organization, its owners shall be deemed its members, and the membership organization and the deemed membership organization shall be treated as a member of the other. A person having trading privileges on an exchange that either is a membership organization, or is directly or indirectly owned 100 percent by a membership organization, shall be treated as a member of the membership organization. The term "membership organization" does not include an organization whose primary purpose is to sell or lease personal property to persons who do not manage the organization, have the right to elect management, or have trading privileges on the organization.
- N. "Person" means any individual, receiver, administrator, executor, conservator, trust, estate, partnership, joint venture, club, joint stock company, business trust, corporation, association, limited liability company, membership organization, syndicate, society, or any group of individuals acting as a unit, whether mutual, cooperative, fraternal nonprofit, or otherwise, or the state of Illinois or any political subdivision thereof, or the United States or any instrumentality thereof.
- O. "Personal property" means any and all property other than real property.
- P. "Use" means the exercise of any right to or power over personal property by a lessee incident to the lease or rental of that property including, but not limited to, the permanent or temporary storage, stationing or garaging of personal property by the lessee. "Use" by a lessee includes not only the use of personal property directly by the lessee but also the use of personal property by the lessee's agents, representatives or other authorized designees.

Section 3 **Tax Imposed.**

- A. Except as otherwise provided in this ordinance, a tax is imposed upon receipts from the lease or rental in the County of personal property.
- B. The rate of the tax shall be 4% percent of the lease or rental receipts. The tax shall be paid by the lessor at the time of receipt of each lease or rental payment, and each tax payment shall be determined by applying the tax rate to the lease or rental payment.
- C. For purposes of this chapter, the lease or rental of personal property shall be deemed to take place at the location where the lessee takes possession or delivery of the personal property.
- D. Notwithstanding Section 3.A, a lessor of personal property leased or rented in the County shall not be required to pay tax upon the receipt of any lease or rental payment period in which the personal property is used solely outside the County; provided, however, that this subsection 3(D) shall not apply to the lease or rental payment period in which the lessee takes possession or delivery of the personal property at a location in the County.

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- E. Nothing in this ordinance shall be construed to impose a tax upon any transaction or privilege, which, under the constitutions of the United States or the State of Illinois, may not be made the subject of taxation by the County.

Section 4 **Exempt Leases.**

Notwithstanding any other provision of this ordinance, the following lessors shall be exempt from the tax imposed by Section 3:

- A. A lessor that is a governmental body;
- B. A lessor that is an organization organized and operated exclusively for charitable, educational or religious purposes.

Section 5 **Exempt Leases and Rentals.**

- A. Notwithstanding any other provision of this ordinance, the following leases and rentals shall be exempt from the tax imposed by Section 3:
- (1) The lease or rental by an interstate carrier for hire of rolling stock actually moving in interstate commerce.
 - (2) The lease or rental of personal property where the lease or rental price is paid in its entirety by inserting one or more coins or bills of currency of the United States into a mechanism attached to the personal property.
 - (3) The lease or rental of medical appliances or medical equipment by a person for the purpose of correcting or treating parts of his or her own body.
 - (4) The lease or rental of personal property if the lessor and lessee are members of the same related group. For purposes of this exemption, the term "related group" means a person and all other persons directly or indirectly owned 100 percent by the person. A person shall be deemed to own a corporation if it directly or indirectly owns 100 percent of the corporation's outstanding voting stock.
 - (5) The lease or rental of personal property that is leased by a membership organization to a member of such membership organization, or by a person that is wholly owned directly or indirectly by one or more membership organizations to a member of any of such membership organizations, provided that substantially all of the lessor's leases of personal property of the same type are to such members.
 - (6) The nonpossessory lease of a computer to effectuate the execution, clearing, processing, matching or recording of a trade on a board of trade designated as a contract market by the Commodity Futures Trading Commission or on a securities exchange registered with the Securities and Exchange Commission, or any other trade of any security (as defined in Section 475(c)(2) of the Internal Revenue Code of 1986, as amended, without regard to the last sentence thereof), or any comparable security with respect to commodities, whether or not the parties to the lease also are parties to the trade.

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- (7) The nonpossessory lease of a computer to effectuate the deposit, withdrawal, transfer or loan of money or securities, including any related review of accounts or investment options by the account owner, whether or not the parties to the lease also are parties to the deposit, withdrawal, transfer or loan.
- (8) Under rules to be prescribed by the Department, the nonpossessory lease of a computer in which the customer's use or control of the provider's computer is de minimis and the related charge is predominantly for information transferred to the customer rather than for the customer's use or control of the computer, such as the nonpossessory lease of a computer to receive either current price quotations or other information having a fleeting or transitory character.
- (9) The lease or rental of a motion picture film by an owner, manager or operator of an amusement that exhibits the film to patrons who are subject to the tax imposed by the Cook County Amusement Tax.

- B. For purposes of applying any of the exemptions contained in this section, every lease or rental payment period shall be deemed a separate transaction or privilege. Any person claiming an exemption shall have the burden of proving entitlement to the exemption for each lease or rental payment period for which the exemption is claimed.

Section 6 **Collection and Remittance.**

It shall be the duty of each lessor to remit the tax to the Department in accordance with Section 7 of this ordinance.

Section 7 **Tax Remittance and Returns.**

On or before the last day of each calendar month, every lessor shall remit to the Department the tax attributable to lease or rental payments received during the immediately preceding calendar month. Each lessor shall file with the Department a remittance return. The remittance return shall be in a form prescribed by the Director, containing such information as the Director may reasonably require.

A lessor must remit tax and file remittance on a cash basis.

Section 8 **Registration.**

- A. Every lessor that maintains an office or principal place of business in the County or that is required to pay the tax imposed by this ordinance shall register with the Department on a form prescribed by the Director within 30 days after the effective date of this ordinance, or within 30 days after establishing an office or principal place of business in the County or becoming subject to tax payment responsibilities, as the case may be.
- B. If any information provided by a lessor on a registration form ceases to be accurate, then the lessor must file a corrected form with the Department.

Section 9 **Contents of Lease Agreement.**

Unless different requirements are promulgated in regulations issued by the Department, the requirements of this section shall apply. Every lease or rental agreement, or memorandum or transaction receipt of lease or rental, shall indicate the date of the transaction which it evidences, the name of the lessor, the personal property to which it relates, and the amount of each lease or rental payment. All leases, rental agreements, and memoranda or transaction receipts of leases or rentals, shall bear a number upon their face. No more than one lease or rental agreement, or memorandum or transaction receipt of lease or rental, made by a lessor on any given date shall bear the same number. The number identifying the lease or rental agreement, or memorandum or transaction receipt of lease or rental, shall be entered and recorded in the books of account required to be kept by Section 10 of this ordinance.

Section 10 **Maintaining Books and Records.**

Every lessor shall retain for at least five years accurate books and records of each transaction or activity requiring that person to collect and remit or to pay the tax imposed by this ordinance, including all original source documents. All such books and records shall be kept in the English language and, at all reasonable times during business hours of the day, shall be open to inspection by the Department.

Section 11 **Rules and Regulations.**

The Director is authorized to adopt, promulgate and enforce rules and regulations pertaining to the administration and enforcement of this ordinance.

Section 12 **Uniform Penalties, Interest and Procedures Provisions.**

Whenever not inconsistent with the provisions of this ordinance or whenever this ordinance is silent, the Uniform Penalties, Interest and Procedures provisions set forth in Article to of "An Ordinance Establishing the Department of Revenue, County of Cook," dated November 20, 1992, (hereinafter "the Uniform Penalties, Interest and Procedures") shall apply.

Section 13 **Penalties.**

Any violation of the ordinance shall be punishable by a fine of not less than \$100.00 and not more than \$1,000.00 or imprisonment for a period not to exceed six (6) months, or by both such fine and imprisonment. It shall be deemed a violation of this ordinance for any person knowingly to furnish false or inaccurate information as required herein. Criminal prosecutions pursuant to this ordinance shall in no way bar the right of Cook County to institute proceedings to recover delinquent taxes, interest and penalty due and owing, as well as costs incurred for such proceeding. Civil penalties and interest assessed pursuant to this ordinance shall be computed at a rate provided by the Uniform Penalty, Interest and Procedures.

Section 14 **Severability.**

If any clause or other portion of this ordinance is held invalid, that decision shall not affect the validity of the remaining portions of this ordinance. It is hereby declared that all such remaining portions of this ordinance are severable, and that the Cook County Board of Commissioners would have enacted the remaining portions if the portions that may be so held to be invalid had not been included in this ordinance.

Commissioner Daley, seconded by Commissioner Steele, moved that the Proposed Ordinance be referred to the Committee on Finance. (Comm. No. 236243). **The motion carried unanimously.**

* * * * *

Submitting a Proposed Ordinance Amendment sponsored by

JOHN H. STROGER, JR., President, Cook County Board of Commissioners

PROPOSED ORDINANCE AMENDMENT

**ORDINANCE AMENDING
HOME RULE COUNTY RETAILERS' OCCUPATION TAX
COUNTY OF COOK, ILLINOIS**

WHEREAS, County of Cook is a home rule unit of local government pursuant to Article VII, Section 6(a) of the 1970 Illinois Constitution, and

WHEREAS, as a home rule county, County of Cook is authorized by 55ILCS 5\5-1006, as amended, to impose a tax upon all persons in Cook County engaged in the business of selling tangible personal property, and

WHEREAS, the Board of Cook County Commissioners finds that additional revenue is required to fund the operations of Cook County Government, and

WHEREAS, on May 4, 1992, the Board of Cook County Commissioners adopted an ordinance imposing the Home Rule County Retailers' Occupation Tax.

NOW, THEREFORE, BE IT ORDAINED THAT:

SECTION 1: As authorized by the Home Rule County Retailers' Occupation Tax Law (55ILCS 5\5-1006, on and after September 1, 1992, a tax is imposed county-wide upon all persons in Cook County engaged in the business of selling tangible personal property at retail, at the rate of ~~3/4%~~ 1% of the gross receipts from such sales made in the course of such business. The tax shall be paid in the manner provided by the Home Rule County Retail Occupation Tax Law.

SECTION 2: The tax herein provided for shall not be imposed on the sales of food for human consumption which is to be consumed off the premises where it is sold (other than alcoholic beverages, soft drinks and food which has been prepared for immediate consumption), or on prescription and non-prescription medicines, drugs, medical appliances and insulin, urine testing materials, or syringes and needles used by diabetics. The tax herein provided for shall not apply to tangible personal property titled or registered with an agency of this State's government. Nothing in this Ordinance shall be construed to authorize imposition of a tax on the privilege of engaging in any business which, under the Constitution of the United States, may not be made the subject of taxation.

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SECTION 3: The Clerk of the Board is hereby authorized and directed to obtain and transmit a certified copy of this Ordinance to the Illinois Department of Revenue not later than five days after its effective date, and in no case later than April 1, 2004.

SECTION 4: This Ordinance shall be known and cited as the "COOK COUNTY HOME RULE COUNTY RETAILERS' OCCUPATION TAX ORDINANCE" and shall be effective upon its passage.

Commissioner Daley, seconded by Commissioner Steele, moved that the Proposed Ordinance Amendment be referred to the Committee on Finance. (Comm. No. 236244). **The motion carried unanimously.**

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Submitting a Proposed Ordinance Amendment sponsored by

JOHN H. STROGER, JR., President, Cook County Board of Commissioners

PROPOSED ORDINANCE

**ORDINANCE AMENDING
HOME RULE COUNTY SERVICE OCCUPATION TAX
COUNTY OF COOK, ILLINOIS**

WHEREAS, County of Cook is a home rule unit of local government pursuant to Article VII, Section 6(a) of the 1970 Illinois Constitution, and

WHEREAS, as a home rule county, County of Cook is authorized by 55 ILCS 5\5-1007, as amended, to impose a tax upon all persons in Cook County engaged in the business of making sales of service, and

WHEREAS, the Board of Cook County Commissioners finds that additional of revenue is required to fund the operations of Cook County Government, and

WHEREAS, on May 4, 1992, the Board of Cook County Commissioners adopted an Ordinance imposing the Home Rule County Service Occupational Tax.

NOW, THEREFORE, BE IT ORDAINED THAT:

Section 1. As authorized by the Home Rule County Service Occupation Tax Law (ILCS 5\5-1007), on and after September 1, 1992, a tax is imposed countywide upon all persons in Cook County engaged in the business of making sales of service at the rate of ~~3/4%~~ 1% of the selling price of all tangible personal property transferred by such service person either in the form of tangible personal property or in the form of real estate as an incident to a sale of service. The tax shall be paid in the manner provided by the Home Rule County Service Occupation Tax Law.

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Section 2. The tax herein provided for shall not be imposed on the sales of food for human consumption which is to be consumed off the premises where it is sold (other than alcoholic beverages, soft drinks and food which has been prepared for immediate consumption), or on prescription and nonprescription medicines, drugs medical appliances and insulin, urine testing materials, or syringes and needles used by diabetics. Nothing in this Ordinance shall be construed to authorize imposition of a tax on the privilege of engaging in any business which, under the Constitution of the United States, may not be made the subject of taxation.

Section 3. The Clerk of the Board is hereby authorized and directed to obtain and transmit a certified copy of this Ordinance to the Illinois Department of Revenue not later than five days after its effective date, and in no case later than April 1, 2004.

Section 4. This Ordinance shall be known and cited as the "COOK COUNTY HOME RULE COUNTY SERVICE OCCUPATION TAX ORDINANCE" and shall be effective upon its passage.

Commissioner Daley, seconded by Commissioner Steele, moved that the Proposed Ordinance Amendment be referred to the Committee on Finance. (Comm. No. 236245). **The motion carried unanimously.**

ADJOURNMENT

Commissioner Daley, seconded by Commissioner Silvestri, moved that the Special Meeting do now adjourn.

The motion prevailed and the Special Meeting stood adjourned.

The next regular County Board Meeting is scheduled by law, for Tuesday, November 4, 2003.

County Clerk